

United States Senate

WASHINGTON, DC 20510-1804

October 6, 2005

The Honorable Bill Frist
Majority Leader
The Capitol
S. 230
Washington, DC 20510

Dear Majority Leader Frist:

I appreciate your efforts in attempting to address the vital needs of the Gulf Coast's local governments. The provision that you introduced appears to be an improvement over earlier drafts shared with us by the White House.

As I attempt to weigh my support for this measure, I would appreciate it if you would clarify the following questions with respect to your draft.

First, I could find no reference in your legislation that would restrict the use of these funds to assist the affected areas of the Gulf Coast. As you know, the Community Development Loan program has been in existence since 1978. So, without clarification, all previous disaster-designated areas may be eligible for these funds. Is that intended?

Second, your bill includes a provision that changes current law to prevent any form of loan forgiveness under the Community Development Loan program. Would your provision allow any local government, under any circumstance, to have its loans forgiven?

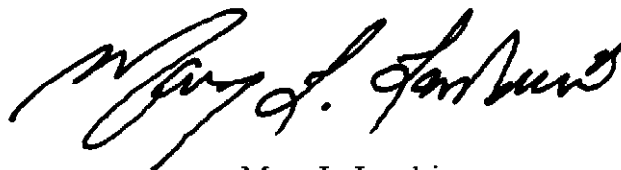
Third, I am concerned that your legislation inadvertently may exclude the participation of Sheriffs in Louisiana. The Community Development Loan Program provides a specific definition of "local government." During earlier discussions of the President's draft, we indicated that our sheriffs are in the unique position of being independently elected, and having independent taxing authority. They are not a subordinate entity to the parish government. This lack of understanding has caused our sheriffs repeated difficulty in funding from Department of Justice, and Department of the Interior programs. Is there some precedent or authority that indicates that Louisiana's sheriffs will be eligible to receive funds under your bill?

Finally, it has been represented that West Jefferson, East Jefferson and Oschner hospitals may receive funds under this legislation. However, no aspect of the law, nor regulatory structure indicates that a private, not-for-profit hospital can receive these loans. Additionally, the Code of Federal Regulations structure for administering these loans seems to require lost tax revenue from the entity applying, which these entities will not be able to demonstrate. Is there any precedent or authority that indicates that West Jefferson, East Jefferson, and Oschner hospitals will be eligible to receive funds under your bill?

Again, I appreciate the very difficult work that you have undertaken with this initiative. I understand the diverse group of interests that you are juggling. However, these are not small questions for the people of my state, and the expectations that will be set by this legislation. I would appreciate even preliminary answers as soon as you might be able to provide them.

With warmest personal regards, I am

Sincerely,

A handwritten signature in black ink, appearing to read "Mary L. Landrieu". The signature is fluid and cursive, with a large initial "M" and a stylized "L".

Mary L. Landrieu
United States Senator

MLL/jdm